

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

**Petition No. 101/TT/2013
(Docket No. 62/2013)**

Coram:-

**Dr. Pramod Deo, Chairperson
Shri V.S. Verma, Member**

Date of Order: 5.6.2013

In the matter of

Approval under Regulation-86 of Central Electricity Regulatory Commission (Conduct of Business) Regulations 1999 and Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations 2009 determination of transmission tariff of 400kV D/C Baharampur-Bheramara transmission line, LILO of 400 kV S/C Farakka-Jeerat transmission line at Baharampur, 01 No. 80 MVAR Bus reactor and associated line bays and reactor bay at Baharampur associated with interconnection of Electrical Grids of India and Bangladesh (Indian Portion) from anticipated date of commercial operation (1.5.2013) to 31.3.2014 for tariff block 2009-14 period.

And in the matter of

Power Grid Corporation of India Limited, Gurgaon

....**Petitioner**

Vs

Bangladesh Power Development Board (BPDB)

.....**Respondent**



ORDER

Powergrid Corporation of India Limited (PGCIL) and Bangladesh Power Development Board (BPDB) have entered into Bulk Power Transmission Agreement dated 26.7.2010 for implementation of certain transmission system for interconnection of Electrical Grids of India and Bangladesh for export of power from various generating stations in India. As per the BPTA, PGCIL is required to implement the following transmission systems:

Transmission Lines

- (i) Baharampur (India) – Bheramara (Bangladesh) 400 kV D/C line (Indian Portion)
- (ii) LILO of Farakka-Jeerat 400 kV S/C Line at Baharampur (India Portion)

Sub-station

- (i) Establishment of 400 kV Switching station at Baharampur (India)
- (ii) 01 no. 80 MVAR Bus Reactor at Baharampur (India)

BPDP has agreed to pay the transmission charges for the above systems as per Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (hereinafter "2009 Tariff Regulations").

2. The petitioner, PGCIL has been executing the above transmission system. As per the investment approval, the commissioning schedule is 24 months from the date of investment approval, i.e. by November, 2012 and the expected date of commercial operation is 1.5.2013. The petitioner has sought approval of the tariff of the above transmission system from the date of commercial operation till 31.3.2014 in accordance 2009 Tariff Regulations.

3. Since the transmission lines and other assets are being executed by PGCIL and the line extends from Baharampur in West Bengal till the Bheramara at the Indo-Bangladesh border, the tariff of the transmission lines shall be determined by the Commission in exercise of powers under Section 79(1)(d) read with Section 2(36) of the Electricity Act, 2003.

4. Regulation 5 of the 2009 Tariff Regulations provides as under:-

"Application for determination of tariff. (1) The generating company or the transmission licensee, as the case may be, may make an application for determination of tariff in accordance with Central Electricity Regulatory Commission (Procedure for making of application for determination of tariff, publication of the application and other related matters) Regulations, 2004, as amended from time to time or any statutory re-enactment thereof, in respect of the units of the generating station or the transmission lines or sub-stations of the transmission system, completed or projected to be completed within six months from the date of application.

(2) The generating company or the transmission licensee, as the case may be, shall make an application as per **Appendix I** to these regulations, for determination of tariff based on capital expenditure incurred duly certified by the auditors or projected to be incurred up to the date of commercial operation and additional capital expenditure

incurred duly certified by the auditors or projected to be incurred during the tariff period of the generating station or the transmission system:

Provided that in case of an existing project, the application shall be based on admitted capital cost including any additional capitalization already admitted up to 31.3.2009 and estimated additional capital expenditure for the respective years of the tariff period 2009-14:

Provided further that application shall contain details of underlying assumptions for projected capital cost and additional capital expenditure, where applicable.

(3) In case of the existing projects, the generating company or the transmission licensee, as the case may be, shall continue to provisionally bill the beneficiaries or the long-term customers with the tariff approved by the Commission and applicable as on 31.3.2009 for the period starting from 1.4.2009 till approval of tariff by the Commission in accordance these regulations:

Provided that where the tariff provisionally billed exceeds or falls short of the final tariff approved by the Commission under these regulations, the generating company or the transmission licensee, as the case may be, shall refund to or recover from the beneficiaries or the transmission customers, as the case may be, within six months with simple interest at the following rates for the period from the date of provisional billing to the date of issue of the final tariff order of the Commission:

- (i) SBI short-term Prime Lending rate as on 1.4.2009 for the year 2009-10.
- (ii) SBI Base Rate as on 1.7.2010 plus 350 basis points for the year 2010-11.
- (iii) Monthly average SBI Base Rate from 1.7.2010 to 31.3.2011 plus 350 basis points for the year 2011-12.
- (iv) Monthly average SBI Base Rate during previous year plus 350 basis points for the year 2012-13 and 2013-14.

Provided that in cases where tariff has already been determined on the date of issue of this notification, the above provisions, to the extent of change in interest rate, shall be given effect to by the parties themselves and discrepancy, if any, shall be corrected at the time of truing up.

(4) Where application for determination of tariff of an existing or a new project has been filed before the Commission in accordance with clauses (1) and (2) of this regulation, the Commission may consider in its discretion to grant provisional tariff upto 95% of the annual fixed cost of the project claimed in the application subject to adjustment as per proviso to clause (3) of this regulation after the final tariff order has been issued:

Provided that recovery of capacity charge and energy charge or transmission charge, as the case may be, in respect of the existing or new project for which provisional tariff has been granted shall be made in accordance with the relevant provisions of these regulations.”

5. As per Regulation 5(4) of the 2009 Tariff Regulations, the Commission may in its discretion grant provisional tariff, if an application has been filed under Regulation 5(1) and (2) of the 2009 Tariff Regulations. Regulation 5(1) of the 2009 Tariff Regulations provides that the application for tariff should be made in accordance with the Central Electricity Regulatory Commission (Procedure for making of application for determination of tariff, publication of the application and other related matters) Regulations, 2004 (hereinafter referred to as "2004 Regulations"). Regulation 5(2) of 2009 Tariff Regulations provides that the application shall be made as per Appendix to the 2009 Tariff Regulations.

6. The petitioner has made the application as per the Appendix to the 2009 Tariff Regulations. The petitioner has also complied with the requirements of 2004 Regulations, such as service of the copy of the application on the beneficiaries, publication of notice and web hosting of the application, etc.

7. Annual transmission charges claimed by the petitioner:-

Asset	DOCO	(` in lakh)
		2013-14
400 kV D/C Baharampur-Bheramara transmission line, LILO of 400 kV S/C Farakka-Jeerat transmission line at Baharampur, 01 No. 80 MVAR Bus reactor and associated line bays and reactor bay at Baharampur	1.5.2013	2,409.71

8. Annual transmission charges allowed on provisional basis:-

Asset	DOC0	(` in lakh)
		2013-14
400 kV D/C Baharampur-Bheramara transmission line, LILO of 400 kV S/C Farakka-Jeerat transmission line at Baharampur, 01 No. 80 MVAR Bus reactor and associated line bays and reactor bay at Baharampur	1.5.2013	2,048.25

9. The provisional tariff allowed in this order shall be applicable from the date of commercial operation (DOC0) of the transmission system and the provisional tariff allowed in the instant petition shall be paid by the respondent, BPDB as per the provisions of the Bulk Power Transmission Agreement signed between BPDB and the petitioner.

10. The provisional transmission charges allowed in this order shall be subject to adjustment as per Regulation 5 of the 2009 Tariff Regulations.

sd/-
(V.S. Verma)
Member

sd/-
(Dr. Pramod Deo)
Chairperson

